

ARNOLD & PORTER LLP
399 Park Avenue
New York, New York 10022
Telephone: (212) 715-1000
Facsimile: (212) 715-1399
Michael J. Canning
Richard M. Alexander
Nancy G. Milburn

*Attorneys for the Federal Housing Finance Agency as
Conservator of the Federal Home Loan Mortgage Corporation*

LANDMAN CORSI BALLAINE & FORD P.C.
120 Broadway
New York, New York 10271
Telephone: (212) 238-4800
Facsimile: (212) 238-4848
Mark S. Landman

Attorneys for the Federal Home Loan Mortgage Corporation

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	:	Chapter 11 Case No. 08-13555 (JMP)
LEHMAN BROTHERS HOLDINGS INC.,	:	
<i>et al.</i> ,	:	
Debtors.	:	Jointly Administered

**THE FEDERAL HOUSING FINANCE AGENCY'S AND THE FEDERAL HOME LOAN
MORTGAGE CORPORATION'S EX PARTE MOTION FOR ENTRY OF AN ORDER
SHORTENING THE TIME FOR NOTICE OF AND SCHEDULING A HEARING TO
CONSIDER THE MOTION OF THE FEDERAL HOUSING FINANCE AGENCY AND
THE FEDERAL HOME LOAN MORTGAGE CORPORATION TO STAY THE
HEARING ON LEHMAN BROTHERS HOLDINGS INC.'S MOTION TO CLASSIFY
AND ALLOW THE CLAIM FILED BY THE FEDERAL HOME LOAN
MORTGAGE CORPORATION (CLAIM NO. 33568) IN LBHI CLASS 3**

The Federal Housing Finance Agency (“FHFA” or “Conservator”), as Conservator of the Federal Home Loan Mortgage Corporation (“Freddie Mac”), under the Housing and Economic Recovery Act of 2008 (“HERA”), 12 U.S.C. § 4501, *et seq.*, and Freddie Mac, hereby move this Court (the “Motion”), for entry of an order substantially in the form of Exhibit A hereto (the “Order”) under Section 105 of the United States Bankruptcy Code (the “Bankruptcy Code”) and Rule 9006(c) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Bankruptcy Rule 9006 for the Southern District of New York (the “Local Rules”) shortening the time for notice of and scheduling a hearing to consider FHFA’s and Freddie Mac’s motion for entry of an order staying consideration (the “Stay Motion”)¹ of Lehman Brothers Holdings Inc.’s (“LBHI”) motion to classify and allow the claim filed by the Federal Home Loan Mortgage Corporation (Claim No. 33568) in LBHI Class 3 (the “Motion to Classify”) [Docket No. 40570]. In support of this Motion, FHFA and Freddie Mac respectfully represent as follows:

BACKGROUND

1. On September 15, 2008, LBHI and certain affiliated entities (collectively, “Debtors”) filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court (the “Chapter 11 Cases”).
2. Thereafter, on September 22, 2009, Proof of Claim No. 33568 in the amount of \$1,202,241,875 (the Proof of Claim form, together with the Addendum attached thereto, the “HERA Priority Claim”) was timely filed by Freddie Mac in respect of two separate transactions that occurred in mid-August 2008, whereby Freddie Mac transferred funds totaling \$1.2 billion to LBHI. As more specifically set forth in the HERA Priority Claim, in addition to asserting the

¹ Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Stay Motion.

\$1.2 billion claim amount, together with interest thereon, the HERA Priority Claim asserted a priority right to recovery under HERA²

3. On September 13, 2013, LBHI filed its Motion to Classify seeking to classify and allow the HERA Priority Claim as a senior unsecured claim, rather than as a priority claim entitled to a priority recovery under HERA. The Motion to Classify is currently scheduled for hearing in this Court on October 24, 2013 at 10:00 a.m.

4. On October 17, 2013, FHFA and Freddie Mac filed their Opposition to the Motion to Classify. In connection with the filing of the Opposition, FHFA and Freddie Mac also filed their Motion to Withdraw the Reference and the Stay Motion, seeking, *inter alia*, a stay of the Motion to Classify pending consideration of FHFA's and Freddie Mac's Motion to Withdraw the Reference to the Bankruptcy Court.

RELIEF REQUESTED

5. By this Motion, FHFA and Freddie Mac respectfully request entry of an order (a) shortening the notice period for the Stay Motion such that it may be heard by the Court on October 24, 2013 at 10:00 a.m. (Prevailing Eastern Time) and scheduling the hearing on the Stay Motion for such date and time; and (b) requiring that objections to the Stay Motion, if any, be filed and served so that they are received on or before October 23, 2013.

BASIS FOR RELIEF

6. The Debtors' Case Management Procedures, approved by this Court on September 22, 2008, and Bankruptcy Rule 9006(c)(1) and Local Bankruptcy Rule 9006 authorize the Court, for cause shown, to reduce the notice period required for a hearing. Furthermore, section 102 of the Bankruptcy Code specifically indicates that "after notice and a hearing" means "after such notice as is appropriate in the particular circumstances, and such

² Proof of Claim, at § 3.

opportunity for a hearing as is appropriate in the particular circumstances . . . ” 11 U.S.C.

§ 102(1)(A). Here, ample cause exists to shorten the time for notice of the Stay Motion and to set October 24, 2013 at 10:00 a.m. as the date and time for the hearing on the Stay Motion.

7. FHFA and Freddie Mac have consulted with counsel for LBHI regarding scheduling the hearing on the Stay Motion on shortened notice and have been informed that LBHI has no objection to the shortened notice requested herein. Accordingly, no parties in interest would be prejudiced by the shortened notice requested herein or by approval of this Motion on an *ex parte* basis.

8. FHFA and Freddie Mac seek an expedited hearing on the Stay Motion because FHFA and Freddie Mac believe it is appropriate that this Court first address FHFA’s and Freddie Mac’s request that this Court stay LBHI’s Motion to Classify while the Motion to Withdraw the Reference is pending before the District Court, prior to any determination on the Motion to Classify. In this case, a shortened notice period allows for an orderly resolution of the Stay Motion prior to any determination of the Motion to Classify.

9. Once again, since LBHI has indicated it has no objection to the relief requested herein, no parties in interest will be prejudiced by shortening notice and authorizing the Stay Motion to be heard at the hearing on October 24, 2013, and FHFA and Freddie Mac respectfully request that this Court schedule the hearing on the Stay Motion for October 24, 2013 at 10:00 a.m.

NO PRIOR REQUEST

10. No prior request for relief sought in this Motion has been made to this or any other court.

CONCLUSION

WHEREFORE, FHFA and Freddie Mac respectfully request that the Court (a) enter an order substantially in the form attached hereto as Exhibit A, granting the relief requested herein; and (b) grant such other and further relief to FHFA and Freddie Mac as the Court may deem just and proper.

Dated: New York, New York
October 21, 2013

/s/

Michael J. Canning
Richard M. Alexander
Nancy G. Milburn

ARNOLD & PORTER LLP
399 Park Avenue
New York, New York 10022
Telephone: (212) 715-1000
Facsimile: (212) 715-1399

*Attorneys for the Federal Housing Finance Agency
as Conservator of the Federal Home Loan
Mortgage Corporation*

/s/

Mark S. Landman

LANDMAN CORSI BALLAINE & FORD P.C.
120 Broadway
New York, New York 10271
Telephone: (212) 238-4800
Facsimile: (212) 238-4848

*Attorneys for the Federal Home Loan Mortgage
Corporation*